

# ARIZONA STATE BOARD OF ACCOUNTANCY

## OPEN SESSION MINUTES

**July 31, 2006**

Members of the Arizona State Board of Accountancy held a meeting at 9:04 a.m. on Monday, July 31, 2006 at the Accountancy Board Office in Suite 165, 100 N. 15<sup>th</sup> Avenue, Phoenix, Arizona. An Executive Session was held, from 9:19 a.m. to 9:50 a.m. and from 10:25 a.m. to 10:35 a.m.

### **BOARD MEMBERS:**

Earl R. Shivers, CPA .....	President
☎+ Marianne E. DeVries, CPA .....	Treasurer
Patrick J. Ramirez .....	Secretary
Donald R. Bays, CPA .....	Member
☎ Frank J. Brady, CPA .....	Member
Samuel L. Fogleman, CPA .....	Member
James E. May. ....	Member

☎ Appeared telephonically

☎+ Appeared telephonically from 9:04 a.m. to 11:00 a.m.

### **OTHERS PRESENT:**

Valerie M. Elliott.....	Executive Director
Jim Dubé .....	Deputy Director
Seth T. Hargraves, Esq. ....	Assistant Attorney General
* H. Leslie Hall, Esq .....	Assistant Attorney General
Ryan P. Edmonson.....	Programs & Projects Specialist II
Yolanda M. Barajas .....	Administrative Assistant III
Leslie R. Reed .....	Administrative Assistant III

\* Present from 9:19 a.m. to 9:50 a.m.

### **GUESTS PARTICIPATING:**

Christine Cassetta, Esq. ....	Assistant Attorney General, Solicitor General Office
Hayden Williams, CPA.....	ASCPA
Gary J. Wood, CPA, Chairman.....	Peer Review Oversight Advisory Committee

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The meeting was called to order at 9:04 a.m. by Earl R. Shivers, President. The following order of business was then considered:

### **OPEN SESSION**

#### **CALL TO THE PUBLIC**

No one wished to address the Board.

#### **MINUTES**

##### **July 10, 2006 Board Meeting**

A motion was made by Donald R. Bays, seconded by Samuel L. Fogleman and passed to approve the Open Session Minutes from the July 10, 2006 Board meeting, as amended.

*Frank J. Brady did not vote.*

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to approve the Executive Session Minutes from the July 10, 2006 Board meeting, as written.

*Frank J. Brady did not vote.*

#### **DECLARATION OF CONFLICTS OF INTEREST**

No conflicts were declared.

#### **EXECUTIVE DIRECTOR'S REPORT**

Valerie M. Elliott, Executive Director, gave an update to the Board on the agency operations, office security and the annual meeting.

#### **ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION**

##### **Recommended Decision of Administrative Law Judge**

##### **File No. 2006.007; McNeal, Syreeta, CPA**

Christine Cassetta, Assistant Attorney General, from the Solicitor General's Office was present to provide legal advice to the Board. Seth T. Hargraves, Assistant Attorney General discussed the argument the state presented against the registrant and recommended that the Board make a few amendments to the Administrative Law Judge's Findings of Fact, Conclusions of Law and Recommended Decision. Ms. McNeal was not present at the Board meeting.

After a brief discussion, a motion was made by Samuel L. Fogleman, seconded by Donald R. Bays and passed to adopt the Administrative Law Judge's Findings of Fact, as amended with the State's recommendations.

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A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to adopt the Administrative Law Judge's Conclusions of Law, as amended with the State's recommendations.

A motion was made by Samuel L. Fogleman, seconded by Marianne E. DeVries and passed to adopt the Administrative Law Judge's Recommended Decision, as amended with the State's recommendations.

A motion was made by Samuel L. Fogleman, seconded by Donald R. Bays and passed to go into Executive Session at 9:19 a.m. to seek legal advice and review confidential material pursuant to A.R.S. § 38-431.03(A)(2)(3) and (4).

After consideration in Executive Session, the Board reconvened in Open Session at 9:50 a.m.

### **ASSISTANT ATTORNEY GENERAL'S REPORT**

File No. 2000.026; Marrie, Michael J.

File No. 2000.027; Barry, Brian L.

H. Leslie Hall, Assistant Attorney General was present. Ms. Hall described the tape recording procedures for the Board meetings. The Board verbally affirmed no knowledge of the Board retention and destruction procedures for recording Board meetings, and signed and notarized verification forms.

*Frank J. Brady declared a conflict and did not vote.*

### **COMMITTEE RECOMMENDATIONS – INVESTIGATION FILES**

File No. 2006.063

A motion was made by Donald R. Bays, seconded by Samuel L. Fogleman and passed to accept the Tax Practice Committee's recommendation to issue an Administrative Letter of Concern, as amended in executive session and close the file.

### **SETTLEMENT OFFER**

File No. 2006.064

A motion was made by Patrick J. Ramirez, seconded by James E. May and passed to offer a Decision & Order (By Consent) for Relinquishment of the registrant's CPA certificate.

*Samuel L. Fogleman declared a conflict and did not vote.*

### **ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION**

Status of firm compliance with A.A.C. R4-1-454 Peer Review Requirements

Gary Wood, CPA, Chairman of the Peer Review Oversight Advisory Committee was present to discuss firms compliance with peer review requirements pursuant to A.A.C. R4-1-454.

A motion was made by Samuel L. Fogleman, seconded by Donald R. Bays and passed to go into Executive Session at 10:25 a.m. to seek legal advice and review confidential material pursuant to A.R.S. § 38-431.03(A)(2)(3) and (4).

After consideration in Executive Session, the Board reconvened in Open Session at 10:35 a.m.

## **ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION**

### Status of firm compliance with A.A.C. R4-1-454 Peer Review Requirements

The Board continued to discuss peer review requirements with Gary Wood.

### Request for Extension of time to meet Peer Review Requirements – A.A.C. R4-1-454

A motion was made by Samuel L. Fogleman, seconded by Marianne E. DeVries and passed to grant an extension until September 30, 2006, to meet peer review requirements for the following agenda items.

*Earl R. Shivers voted against the motion.*

### Request for Extension of time to meet Peer Review Requirements – A.A.C. R4- 1 454

Linda P. Bee CPA PC	906-C	Michael J House CPA PC	2080-C
Eric J. Splaver CPA PLC	2408-L	*Estes/Avellone CPA's Ltd	2452-C
*Baldwin & Jones PLLC	2457-L	*Ann Plavsity PC	2455-C
Morici & Tanner PLLC	2087-L	Allan G. Hutchison CPA PC	680-C
Sherri S. Parkin	4701-S	*Tess L. Ridgway CPA	5171-S
Hanson & Stewart PC	78-C	Buttke & Wanzek PC	751-C
Michael D. Hachey	4117-S	West, Christensen & Assoc PC	2558-C
Gastineau, K.R., CPA, Ltd	772-C	Sweigart, Jim S., CPA, PC	2084-C
Dembowski, Lawrence S., CPA	4871-S	Hutchison, Robert Allan	5629-S
Capirchio, Craig C., Ltd	2023-C	Groll, Robert Hardy, CPA	4114-S

\*updated since July 10, 2006 Board submission

### Requests for Extension of time to meet Peer Review Requirements, Deferred by Peer Review Oversight Advisory Committee due to failure to show good cause- A.A.C. R4-1-454

- i. The Committee recommended the following firms be deferred due to lack of valid reason:
 

Mizer, Robert T. CPA, PLLC	2471-L	Oliver, Douglas W., CPA	5604-S
Heisey, Gregory L., CPA, PC	166-C	Pagel, Inga A., CPA	4889-S
Kaplan, Daniel F., CPA, PC	2274-C	Queen, Katherine M., CPA	4299-S
- ii. The Committee recommended the following firms be deferred due to lack of engagement letter:
 

Hartman, Donald, CPA, PC	2236-C
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- iii. The Committee recommended the following firms be deferred due to lack of final peer review report:
 

Fessinger, Hal Jerome	4090-S
Pearce, Gray & Co., PLC	2352-C
Wendtland & Associates, PC	2048-C

The Committee recommended the following firms be deferred due to lack of engagement letter:

Jurgens, Williams M., CPA 4161-S

A motion was made by Samuel L. Fogleman, seconded by Frank J. Brady and passed to grant an extension until December 31, 2006, and request evidence of his medical condition.

*Earl R. Shivers voted against the motion.*

Request for Exemption from Peer Review Requirements – A.A.C. R4 -1- 454(I)

Dean Hamilton LLC 2709-L

A motion was made by Samuel L. Fogleman, seconded by Donald R. Bays and passed to grant his request for exemption, pursuant to A.A.C. R4-1-454(I)(2).

File Nos. 1998.020 & 1995.027; Cho, William

A motion was made by Donald R. Bays, seconded by Samuel L. Fogleman and passed to terminate the Consent Orders and close the files.

Issues from and regarding the National Association of State Boards of Accountancy (NASBA)

i. Response David Costello regarding status of CBT Contract

The Board discussed Mr. Costello's attendance at a future Board meeting.

ii. Amendment to CBT Contract

The Board discussed the request for an amendment to the CBT contract.

A motion was made by Patrick J. Ramirez, seconded by Samuel L. Fogleman and passed to amend the contract with regards to Prometric and NASBA, and to invite Mr. Costello to the Annual Board meeting on August 10, 2006, to discuss the AICPA section of the contract.

iii. Letter regarding recommendation for Board of Examiners State Board Committee

Valerie M. Elliott, Executive Director discussed possible recommendations for the Board of Examiners State Board Committee, and also stated that she would not like to be considered.

iv. Memo on adoption of mutual recognition agreements

Valerie M. Elliott, Executive Director gave a brief history and an update to the Board.

v. Annual Meeting, October 29, 2006 - November 1, 2006, Atlanta, Georgia

Consideration of approval for Executive Director and Board members attendance and travel to the meeting

A motion was made by Patrick J. Ramirez, seconded by Samuel L. Fogleman and passed to approve the Executive Director, Board President and the Treasurer to attend the Annual meeting, on October 29, 2006 to November 1, 2006 in Atlanta, Georgia.

Disciplinary Compliance - Request for Pre-Approval of CPE

File No. 2003.063, PricewaterhouseCoopers

A motion was made by Donald R. Bays, seconded by James E. May and passed to approve the proposed request for Pre-Approval of CPE.

Disciplinary Compliance - Request for Pre-Approval of Pre-Issuance Peer

Reviewer

File No. 2005.049; Kiesel, Randy C., CPA

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to approve the proposed request for Pre-Approval of Pre-Issuance Peer Reviewer.

Review of Firm Registration Compliance and request for registration firm –

A.R.S. § 32-731. AAC R4-1-455.03(D)(1)

David Bee 11271-E

Bee Accounting PC

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to approve registration of firm.

Review of CPE Compliance – A.R.S. § 32-730(C) & (D)

Board to Review status of Compliance and may vote to take disciplinary action if found to be Non-compliance

Joseph Thomas McKenzie 6358-E

A motion was made by Donald R. Bays, seconded by James E. May and passed to offer a Decision & Order (By Consent) for suspension, if not accepted within 30 days, to file a Complaint and Notice of Hearing.

*Earl R. Shivers declared a conflict and did not vote.*

Request for a CPE Waiver and Fee Waiver – A.R.S. § 32-730(C) & (D)

Alfretta A. Danielewicz 7052-E

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to approve her request for CPE and Fee Waiver.

Request for inactive status – A.R.S. § 32-730

Philip Lavon Collins 2725-E

Munther F. Yacoub 8780-E

Jamie Nicole Pohlman 11738-E

A motion was made by James E. May, seconded by Donald R. Bays and passed to approve the requests for inactive status.

Review of CPE Committee Recommendation for Consideration of Reinstatement of Expired Certificates

Phillip Gerard Roque 8934-E

Richard R. Sekenski 3664-R

David W. Neal 7844-E

J. Douglas Bishop 8001-E

A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to approve reinstatement of expired certificates.

CPE Committee Recommendation

The Committee recommended that the Board approve the following individual for a five-year term with the Committee:

William Anthony Persyn 11269-R

A motion was made by Donald R. Bays, seconded by Patrick J. Ramirez and passed to accept the Continuing Professional Education Committee's recommendation to approve the appointment of William Anthony Persyn to a five year term on the Continuing Professional Education Committee.

Application for Certification by Examination Denial by Certification Committee -

A.R.S. § 32-721:

Edwin Zimmer

Samuel L. Fogleman reviewed the file. A motion was made by Samuel L. Fogleman, seconded by James E. May and passed to deny the registrant's request for application for certification by examination because he did not meet the education requirements.

**Consent Agenda**

(The Board may pull any of the following items off the consent agenda take individual action) Board discussion and legal action on the following items:

A motion was made by Donald R. Bays, seconded by Patrick J. Ramirez and passed to accept the following consent agenda:

- a. Recommended for Registration of Professional Corporation for the following Applicants - (Meets the requirements of A.R.S. § 32-734):

J. A. Hondorp CPA Ltd  
Shareholder: Jane A. Hondorp 5236-E

- b. Recommended for Registration of LLC/PLLC/LLP's for the following Applicants - (Meets the requirements of A.R.S. § 32-735):

May Himmer & Company PLLC  
Shareholders: E. Joe May 3828-E  
Lynne A. Himmer 4510-E

- c. Recommended for Registration of Sole Practitioner for the following Applicants - (Meets the requirements of A.R.S. § 32-731):

Desert Crest Accounting  
Sole Practitioner:  
Brian John Sullivan 12881-R

Sandra Lawes Accounting & Tax Service  
Sole Practitioner: Sandra Lawes 9387-E

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Farnsworth & Company  
Sole Practitioner:  
Jason D. Farnsworth 7275-E

## d. Recommended for Firm Name Change:

Lorenzo PLC		Tasha Rembold Suhr CPA PLLC	
Lorenzo & Backlund PLC	2207-L	Tasha Rembold Suhr CPA LLC	2757-L
Shareholder: Anthony Lorenzo	10778-E	Shareholder: Tasha Rembold Suhr	11046-E

## e. Requests for Firm Cancellation - Do not wish to renew:

Barry & Moore PLC	2285-L	Ralph K Brooks CPA PC	528-C
Smitherman PC	2469-C		

## f. Recommended for Cancellation of Certificate per registrant's request not to renew:

Krystal M. Donelson	10535-R
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## g. Recommended for Reissuance of Certificate because of Name Change:

Valerie A. Day (Barrett)	8553-E	Sharlan Hunt (Kutz)	11276-E
Victoria L. Kraus (Lysenko)	10209-E	Stacey L. Pedersen (Korhonen)	13525-E
Angela Renee Turner (Moore)	9018-R	Nancy H. Nauyokas-Duran (Bolin)	8119-E

## h. Approval of Candidates who have passed the Uniform CPA Examination:

Suzanne Elizabeth Allen	Bonnie Jean Allison	Bradley Edward Alto
Christopher Matthew Burlaka	Ann Mildred Campbell	Louise Page Courtney
David Jon Felix	Lindsey Rhea Ferrara	Jeffrey Fleurinor
Timothy A Giever	Scott Aldrin Hamilton	Brett Matthew Huston
Richard T. Innes	Kami Kay Jewart	Jodi Marie Johnston
Corey Michael Jones	Melissa Charline Lawless	Weiqliu Liu
Ryan Allen McElhaney	Brian Charles McHugh	John Andrew Melsheimer
Ryan Charles Nixon	Nicholas Christopher Paduweris	Venkatesh Ramachandran
Timothy John Seeber	Kimberly Anne Stinson	Chad Aaron Thurston
Jeromie Clark Webster		

## i. Approval of Candidates for the Uniform CPA Exam A.R.S. 32-723:

Mohammad Ali	Shen Shien Lew
Kelly P. Allan	Michael Stephen Locke
Melissa Sue Armstrong	Francine Marie Madonia



Erin Kimberly Barry	Andre Mariette
Aaron D. Blau	James McCollister
David Allen Bloom	Colleen Mary Morrison
Yanjun Chen	Sharada Navalapakam Rajagopal
Trina Dev	Erika Lynn Nottingham
John Samuel Dickinson	Lynn Marie Pierotti
Amy Anne Dye	David A. Poisson
Francine Josianne-Marie Fisk	Jonathan Joseph Pucciarelli
Brandon Thomas Fleetwood	Jennifer Lyn Richards
Kelly Jo Foster	Karina Rivera
Gregory Peter Goldsand	Laura Alice Roche
Jean Marie Haigh	David Joseph Rogers
Catherine A. Harrison	William E. Rogers
Jared Duke Harrison	Adam Robert Rutherford
Nolan Benjamin Haskovec	Connie Rose Savage
Breeann Elizabeth Hillman	Haroon Ahmed Shakoor
Michael Hrabar	Michael D. Siggins
Steven Dale James	Eric John Smith
Pattie Whitley Johns	Todd Edward Stewart
Jeremiah Lee Jolicoeur	Shannon Marie Titch
Jeffrey David Jones	Laura Anne Wellman
Charles Ashley Kilpatrick	Katherine Nicole Wieck
Allan Conrad Klose	Elizabeth N. Williams
Tanvee Kumar	William Clay Word
Jessica Ann Kynaston	Melinda Anne Young
Mark David Lay	Tracy Leigh Young
Prajakta Amit Lele	Marc Daniel Zimmerman

j. Approval of CPA Certificate by Examination A.R.S. 32-721:

Ellen O. Camp	Ying Chen
Suheyly Ciftci	Johanna L. Klomann
Valerie R. Lansdale	Jessica A. Pollock

Jonathan R. Seiter

Tai-Keung Yeung

k. Approval of CPA Certificate by Reciprocity - §32-726-D:

Louis P. Di Muro - California

Arnold McAdams - New York

Michael W. Samson – California

l. Approval of CPA Certificate by Reciprocity Based on Substantial Equivalency A.R.S. 32-726(B):

Richard D. Bleck – Washington

Anthony Max Coble – Kansas

Ruth S. Donovan – Nevada

Steven L. Easthope – Utah

Bonnie R. Finklea – Georgia

Jeffrey Cornelius Homan – Washington

Andrew Paul Hathcock – Tennessee

Stella M. Saindon - New Mexico

Frank J. Moscioni – Ohio

Sandra L. Shoemaker – Texas

Cristina Acosta Salazar – Texas

Nancy Tamburello – Ohio

Luis A. Silva – Texas

Ye Zhu - Texas

m. Approval of CPA Certificate by Grade Transfer A.R.S. 32-721:

Kathleen A. Gallagher – Illinois

Kim M. Kunde – Illinois

Jaron Harp Wilde - California

**SUMMARY OF CURRENT EVENTS**

Valerie M. Elliott, Executive Director informed the Board of the new Board appointee.

**DISCUSSION OF ITEMS TO BE PLACED ON FUTURE MEETING AGENDA**

None.

**ADJOURNMENT**

There being no further business, a motion was made by James E. May, seconded by Patrick J. Ramirez and passed to adjourn at 12:11 p.m.

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Earl R. Shivers, CPA, President

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Marianne E. DeVries, CPA, Treasurer

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Patrick J. Ramirez, Secretary

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Donald R. Bays, CPA Member

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Frank J. Brady, CPA Member

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Samuel L. Fogleman, CPA Member

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James E. May, Board Member